



State of Utah

Department of
Environmental Quality

Dianne R. Nielson, Ph.D.
Executive Director

DIVISION OF DRINKING WATER
Kevin W. Brown, P.E.
Director

Drinking Water Board

Dale Pierson, *Chair*
Anne Erickson, *Vice-Chair*
Myron Bateman
Jay Franson
Laurie McNeill
Nancy Melich
Dianne R. Nielson, Ph.D.
Charlie Roberts
Petra Rust
Ron Thompson
Chris Webb
Kevin Brown
Executive Secretary

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

MINUTES OF THE OCTOBER 10, 2003 DRINKING WATER BOARD
MEETING HELD IN WENDOVER, UTAH

Board Members Present

Dale Pierson, Chairman
Anne Erickson, Vice Chairman
Myron Bateman
Jay Franson
Laurie McNeill, Ph.D.
Nancy Melich
Charlie Roberts
Petra Rust
Ronald Thompson

Board Members Excused

Dianne Nielson, Ph.D.
Chris Webb

Staff Present

Kevin Brown
Mike Georgeson
Ken Bousfield
Ken Wilde
Linda Matulich

Guests

Galen Allred, Kanarraville
Bruce W. Reeves, Kanarraville
Michael Carpenter, Kanarraville
Chris Morley, Attorney Generals Office
William Mickelson, Manti City
Russ Donoghue, Rural Water
Curtis Ludvigson, Rural Water
Doug Nielsen, Sunrise Engineering
John Iverson, Sunrise Engineering
Don Hartle, Wellsville City
Kim Anderson, Manti City
John Chartier, Sunrise Engineering
Tina Campbell, Carter Burgess
Glenn Wadsworth, Wendover City

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Wendover, Utah with Chairman Pierson presiding. The meeting was called to order at 1:00 p.m.

ITEM 2 – ROLL CALL

Chairman Pierson asked Kevin Brown to call roll of the Board members. The roll call showed there were 9 members present at the time.

ITEM 3 – INTRODUCTIONS

Chairman Pierson welcomed the guests and asked them to introduce themselves.

ITEM 4 – APPROVAL OF MINUTES

Chairman Pierson stated a motion to approve the August 8, 2003 minutes was in order.

Dale Pierson mentioned a minor change on page 1 under ITEM 1 – CALL TO ORDER. The first sentence reads: “The Drinking Water Board convened in Layton, Utah with Chairman Pierson presiding”. It should read: **Logan not Layton.**

Charlie Roberts moved the Board approve the August 8, 2003 minutes with the minor change stated above by Chairman Pierson.

Petra Rust seconded.

**CARRIED
(Unanimous)**

ITEM 5 – STATE SRF/REVOLVING LOAN FUND (SRF)/CONSERVATION COMMITTEE

1) SRF/Conservation Report

2) Status Report

Michael Georgeson reported the Board has available \$4,278,000 in the state program; which includes \$590,000 received from the sales tax during the first quarter of the current fiscal year. There is \$504,000 in the Hardship Grant fund.

Mike mentioned the projects that have not yet closed under the state revolving loan program are: Angell Springs, Garden City, Trenton, Beaver Dam Village, Wellsville, Mexican Hat, and Cedar Fort.

Mike reported the Board has available \$8,395,000 in the federal program; which includes \$2.2 million in second round money and the 2003 capitalization grant.

Mike mentioned the projects assigned to the 2003 capitalization grant that will be closing by the end of this year are: Manti, Price River, Billy Bethers, and Twin Creeks.

Mike mentioned there is a concern with the amount of money in the state program. There is \$4,000,000 in the account. Staff expects to receive a little over \$1,000,000 in repayments during December/January. After investigating this further, staff may submit a recommendation to the Board to move the Orem project from the federal SRF program to the state SRF program.

Discussion followed.

3) State SRF Applications

a) Hatch

Mike Georgeson reported Hatch has requested a planning grant. Hatch does not qualify for a grant because of their AGI and water bill. The SRF/Conservation Committee is recommending the Board approve a \$4,000 loan at 0% to be repaid over 5 years.

John Iverson, Sunrise Engineering, addressed the Board.

Discussion followed.

Ron Thompson moved the Board approve the SRF/Conservation Committee's recommendation of a loan for \$4,000 at 0% to be repaid over a 5-year term.

Petra Rust seconded.

**CARRIED
(Unanimous)**

b) Wellsville

Mike Georgeson reported the Board authorized a \$500,000 loan to Wellsville at the June 2003 Board meeting. Wellsville had an emergency occur that required them to use a little over \$100,000 from the loan they received from the Board. Wellsville is asking for an increase of \$100,000 from the Board with the same terms as 2.45% to be repaid over 20 years.

Don Hartle, Wellsville representative, addressed the Board. Mr. Hartle mentioned they had to replace an old transmission line that went through a subdivision from the spring. When the 14" line was put in, they had to redo their altitude valve and spent approximately \$125,000 they didn't anticipate. The water rates will be raised to repay the loan.

Discussion followed.

Jay Franson moved the Board authorize the SRF/Conservation Committee's recommendation to increase the loan by \$100,000 for a total of \$600,000 with the same terms, which are 2.45% to be repaid over a 20-year term.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

c) Angell Springs

Ron Thompson declared a conflict of interest from the motion portion of this agenda item.

Mike Georgeson reported Angell Springs financing has been authorized for some time. A year ago they came to the Board for a \$20,000 construction loan for some drinking water improvements and some dedicated lines to their storage tank. Staff has encountered some problems in not being able to get any one from Angell Springs to talk to. Staff finally sent a letter to Angell Springs to deauthorize the loan.

Staff did receive a letter on October 7, 2003. A copy of the letter is in the handouts today. The letter is asking the Board to extend their loan. Angell Springs has been delayed on their part because of some negotiations with a second party.

Staff is recommending the Board deauthorize the construction loan of \$20,000 to Angell Springs Special Service District.

Discussion followed.

Myron Bateman moved the Board table Angell Springs Special Service District, and they come to the next Board meeting.

Dale Pierson seconded.

CARRIED

8 voted in favor.

Ronald Thompson abstained.

d) Cedar Fort

Mike Georgeson reported a couple of years ago Cedar Fort received a planning advance of \$11,000 from the Board to complete a master plan. Staff sent Cedar Fort a letter asking for a response on their master plan. Staff hasn't received anything back from Cedar Fort in order to process their request.

Staff is recommending the Board deauthorize the planning advance to Cedar Fort. Cedar Fort received the planning advance at the October 12, 2001 Board meeting.

Discussion followed.

Ron Thompson moved the Board deauthorize Cedar Fort's planning advance of \$11,000.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

e) Planning Loans Repayment Waiver

Mike Georgeson reported staff did not include two planning grants for the Board to approve waiving the repayment obligation during its August 8, 2003 meeting. The authority to waive the repayments was authorized by the Legislature and revisions to the Board's rules. The two additions are Elsinore and Clarkston.

The SRF/Conservation Committee is recommending the Board adopt a resolution waiving the repayment obligation for each planning loan listed in the table.

Discussion followed.

Dale Pierson moved the Board authorize the SRF/Conservation Committee's request to adopt a resolution waiving the repayment obligation for each planning loan listed in the table.

Laurie McNeill seconded.

**CARRIED
(Unanimous)**

4) Federal SRF Applications

a) Manti

Ken Wilde reported Manti opened bids for their construction project, which includes the engineering inspection. The bids were higher than estimated, decreasing the contingency budget to 6%. Manti requested another \$100,000 to restore the contingency budget to 10%. Manti asked what they could spend the money on if it isn't all spent on the 10% contingency and provided an updated priority list. Manti has some developments that need to be done on Main Street, some springs to redevelop, and some pipe replacements totaling \$129,000. Manti would spend any excess contingency.

Mike Georgeson mentioned there is a construction company on-site. It would be far less expensive to have the construction company do the work at that time than wait until a need arises. Any change in this scenario would require Manti to have to come back to the Board.

Kim Anderson, Mayor for Manti City, addressed the Board.

Discussion followed.

Dale Pierson moved the Board approve the SRF/Conservation Committee's recommendation to increase the Federal SRF loan to Manti City by \$100,000 to \$1,174,000 with the same interest rate of 2.60%, with 20% principal forgiveness, and a repayable loan balance of \$939,000. Also, staff is to review any contingency changes as the project moves along. Staff will make any needed recommendations to the Board in order to use the contingency money on Manti's project.

Discussion on motion.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

b) Kanarraville

Ken Wilde reported that Kanarraville had notified the Division that its well failed leaving them with a small spring that produces about 20 gpm. Staff, Rural Water Association and others began working with Kanarraville to provide sufficient water on an emergency basis. Kanarraville voluntarily issued a Boil Order. Kanarraville's neighbors helped them out and hauled water to them. Kanarraville hired a well driller to deepen the well. The well renovation is now completed and is producing about 350 gallons of water a minute. Kanarraville requested a grant for \$32,000 to cover the cost of the project. Kanarraville reminded staff that in March 1999 they had 426 points against their system, plus 50 points on the tank. As of April 1, 2003, Kanarraville had a positive of 20 credit points, plus the 50 points on the tank. As of September 2003, the 50 points on their tank have been removed since Kanarraville completed their project. Part of their financial problems right now is they spent their money to get the water storage tank completed. Kanarraville was caught off guard when the well went dry.

Discussion on the history of their water system followed.

Bruce Reeves and Michael Carpenter, Kanarraville representatives, addressed the Board.

The Board commended Kanarraville for the work they have done during their emergency situation.

Discussion followed.

Charlie Roberts moved, under the provisions of Rule R309-705-9 – Emergency Assistance, the Board identifies the circumstances of Kanarraville's water problem as an emergency.

Ron Thompson seconded.

CARRIED
(Unanimous)

Charlie Roberts moved, that under the provisions of the Emergency Rule that the Board authorize a loan in the amount of \$32,000 at 0.0% with 100% principal forgiveness. The Board appreciates the community efforts of the volunteers to help the citizens of Kanarraville and the surrounding areas during their time of crises.

Discussion on motion.

Ronald Thompson seconded.

CARRIED
(Unanimous)

Discussion followed.

Ronald Thompson moved the Board approve a loan of \$40,000 at 0% with no payments until their debt with State Bank is paid off, then the loan will be the same amount of payments until the loan is paid off.

Discussion followed.

Petra Rust would like to see this documented and see some actual quotes and have staff's input before the Board moves forward on this.

Jay Franson mentioned the Board needs to give some direction to staff and for the Board to receive some more information back.

Jay Franson seconded.

FAILED

Myron Bateman moved the Board table this portion of the discussion until the December Board meeting and ask for additional information from Kanarraville and staff so the Board can have a proposal to consider.

Discussion on motion.

Dale Pierson seconded.

CARRIED
(Unanimous)

c) Priority Point List Revisions

Anne Erickson mentioned three new applicants have been added to the list.

Dale Pierson moved the Board approve the updated Project Priority List.

Myron Bateman seconded.

Discussion on list.

**CARRIED
(Unanimous)**

**R309-705 – AUTHORIZE RULEMAKING FOR REVISED EMERGENCY FINANCE
ASSISTANCE RULE**

Mike Georgeson reported in working with Kanarraville and Mayfield, staff felt there ought to be some changes to the Emergency Rule. The Emergency Rule was discussed with the SRF/Conservation Committee. Mike went over the changes that were made.

Discussion followed.

Ron Thompson moved the Board authorize staff's recommendation to initiate the rulemaking process if the Board concurs with the changes made to the rule.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

ITEM 6 – 2004 BOARD MEETING SCHEDULE APPROVAL

Kevin Brown reported Weber Basin Water Conservancy District's project is coming to a close. Weber Basin has probably some of the best facilities in the United States right now. Kevin suggested the Board have their Board meeting on April 9, 2004 at the Weber Basin facilities, and tour their new facilities. This would replace Centerville who is on the list now.

Discussion followed.

Laurie McNeill moved the Board approve the 2004 Board Meeting Schedule with the change of the April 9, 2004 meeting in Centerville to Weber Basin Water Conservancy District.

Anne Erickson seconded.

**CARRIED
(Unanimous)**

ITEM 7 – R309-535 SET EFFECTIVE DATE FOR REVISIONS

Mike Georgeson reported the Board authorized a 120-Day Emergency Rule at the June Board meeting, which was filed on July 28, 2003. Simultaneously, staff filed a proposed permanent rule with the Administrative Rules Office. Staff now requests the Board to set an effective date for the permanent rule. If the Board does not set an effective date, the rule will expire December 13, 2003. An effective date is proposed for November 1, 2003.

Discussion followed.

Jay Franson moved the Board authorize staff's recommendation to select November 1, 2003 as the effective date of the amendment to Rule R309-535 and authorize staff to proceed with necessary filing for permanent action.

Ronald Thompson seconded.

**CARRIED
(Unanimous)**

ITEM 8 – R309-545 SET EFFECTIVE DATE FOR REVISIONS

Mike Georgeson reported Rule R309-545 was adopted by the Board as an emergency rule in June 2003 and filed on July 28, 2003 for the 120-day period. Previously, we have been approving storage tanks to be constructed to use the used steel plate from the petroleum industry after sufficient sand blasting had been done to use the plate for drinking water tanks. There have been questions primarily from a contaminant point-of-view on used steel. Staff consulted AWWA Standards. The tank committee expressed a concern about using used steel plates.

Discussion followed.

Anne Erickson moved the Board authorize staff's recommendation to select November 1, 2003 as the effective date for this amendment and to authorize staff to proceed with the necessary filing.

Myron Bateman seconded.

Discussion on motion.

CARRIED

Seven voted yes.

Charlie Roberts and Ronald Thompson voted against.

**ITEM 9 – R309-600 DRINKING WATER SOURCE PROTECTION FOR GROUND-
WATER SOURCES**

Kevin Brown reported there were several changes in the rule that staff has proposed to the Board. Staff is 5 days short of the 30-day comment period. As of yesterday, there weren't any comments. If staff doesn't receive any comments in the next five days, staff is requesting the Board authorize staff to move forward on finaling the rule for an effective date of November 12, 2003. Kevin went over the changes in the rule.

Kevin mentioned staff is requesting the Board authorize staff to file with the Administrative Rules Office to take the rule changes plus the new date change out for public comment.

Discussion followed.

Myron Bateman moved the Board authorize staff to file with the Administrative Rules Office to take the rule changes and the new date change out for public comment.

Nancy Melich seconded.

**CARRIED
(Unanimous)**

Discussion followed.

ITEM 10 – CANNONVILLE'S COMPLIANCE HISTORY

Ken Bousfield outlined the enforcement process used by staff to bring water systems back into compliance. In an August 2003 CAP meeting, staff talked about the 25 worst compliance related systems in the state. One of the systems is Cannonville. Cannonville received money from the Board, in October 2000, in the form of a \$200,000 loan supplemented by a \$200,000 grant totaling \$400,000 to construct a storage tank and waterlines. The loan was later supplemented by an additional \$28,916 loan in June 2002.

Ken went into detail on some of Cannonville's compliance problems, and informed the Board that it was the feeling of participants of the CAP meeting that the Board should assert its influence here, particularly since Cannonville had received financial assistance.

Discussion followed.

Ronald Thompson moved the Board instruct staff to impose the maximum fine or penalty, and that the fine may be waived if Cannonville comes into compliance within 30 days. If they do not come into compliance within that time frame, then staff will go to the Attorney General to take whatever action is necessary to assure they come into compliance. This motion not only includes Cannonville, but also the top 25 worst violators in the state.

Myron Bateman seconded.

Ken Bousfield reviewed the penalty process, that staff assesses the penalty and the Board acts as an appeal body weighing the issues between staff and the water system.

Discussion followed.

Ronald Thompson amended his motion for the Board to direct the Executive Secretary to take appropriate action to bring Cannonville and the other top 25 worst systems in the state into compliance.

Myron Bateman seconded the amended motion.

Discussion followed.

There will be a list of the top 25 worst systems in the state placed under the Directors report in the Board packet on a quarterly basis.

**CARRIED
(Unanimous)**

ITEM 11 – OPERATOR CERTIFICATION COMMISSION APPOINTMENTS

Dale Pierson reported there is a recommendation before the Board to reappoint Dr. David Stevens and Bart Simons to the Operator Certification Commission.

Ronald Thompson moved to reappoint Dr. David Stevens and Bart Simons to the Operator Certification Commission.

Anne Erickson seconded.

**CARRIED
(Unanimous)**

ITEM 12 - CHAIRMAN'S REPORT

a) December 12, 2003 Board Meeting Issues

Dale Pierson mentioned there are some areas of concern that need to be discussed by the Board. Some of these are: Water Conservation, Secondary Systems and Security.

The Board will discuss these three issues at a work meeting combined with our December Board meeting. Some other topics that need to be discussed also are: quality growth, principal forgiveness, an overhaul of the financial assistance program, subdivisions being sold out, and any other concerns the Board may wish to add to this list to be discussed.

Dale mentioned he would like to form three ad hoc committees for Water Conservation, Secondary Systems and Security to address and bring their recommendations to the work meeting in December.

The Water Conservation Committee will have the following Board members on the committee: Anne Erickson, Ronald Thompson and Chris Webb. The Secondary Committee will have the following Board members on the committee: Jay Franson, Myron Bateman and Laurie McNeill. The Security Committee will have the following Board members on the committee: Dale Pierson, Jay Franson and Charlie Roberts. Appropriate staff will be assigned to each committee. Each committee will hold telephone committee meetings.

Dale encouraged the Board members to call and talk to the three committee's on any comments, concerns, etc. that they may have.

Dale mentioned he would like to see some recommendations from the three ad hoc committee's at the December meeting on what the Board should do and shouldn't do.

Discussion followed.

b) Report on Water Development Issues (Recent Meetings)

Dale Pierson reported the Water Development Commission met last month. There is a state engineers proposal to look at the ground water basin and taking away some of the water rights. Drinking Water sources will not be affected by the move by the State Engineer's Office. Staff may have some questions on this and may want to look into.

Discussion followed.

c) Water Funding Task Force Report (Handout)

Dale Pierson reported on the Draft Report handout from the Water Funding Task Force Subcommittee. At the final meeting, the Task Force accepted the document. The report is now final. This is a document whereby the Governor will get his information from regarding water-funding issues.

Discussion followed.

Dale mentioned since the last Board meeting, Kevin and Charlie met with members of the Water Quality Board regarding the Quality Growth Commission's proposal.

Dale recommended staff and the Board to keep talking with the Division of Water Quality, and to this item during our workshop meeting in December. The Board and staff will need to keep the Commission abreast of any decisions. Dale mentioned the possibility of having a presentation on this issue made at a Board meeting. It would be good to have some material for the Board to use.

Charlie and Kevin briefed the Board on the Quality Growth meeting.

Discussion followed.

ITEM 13 – DIRECTORS REPORT

a) Utah Operator Certification Program

Kevin Brown reported there is a letter from EPA Region VIII on our operator certification program. Our program is approved and is in great shape. There are five people on the Operator Certification Commission representing different agencies, one of which is a member of the Drinking Water Board.

b) Auditor's Report for the Utah State Revolving Loan Fund as of June 30, 2002

Kevin Brown reported on the auditor's findings on the loan program. Enclosed in the packet is a letter from the auditor.

c) Staff Report

Kevin Brown reported there is an organizational chart in the packet. Every position in the Division is filled.

d) Water System Security Update

Kevin Brown reported staff received a federal grant from EPA about a year ago for \$163,000 to help approximately 90 to 100 water systems in the state to do their vulnerability assessment. The federal grant money was given to the Rural Water Association to help staff out with this assignment.

The vulnerability assessment training has been completed for the medium water systems. The emergency response training will be completed later this month for the medium water systems. In the November/December timeframe the smaller water systems will receive their vulnerability assessment training. Early next year, the emergency response plan training will be conducted for the smaller systems. The training has been well received and has been quite a benefit to the water systems.

The medium water systems have to have their information to EPA by December 31, 2003. The small water systems have to have their information to EPA by June 30, 2004.

In talking with some of the other states, and in working with the Rural Water Association in Utah, staff has been able to get the money utilized more effectively and faster than most of the other states in the country in getting the training sessions completed. Rural Water Association was commended for their work.

Kevin thanked Kim Dyches and John Oakeson, of the Division staff, in working with the Rural Water Association on the training.

ITEM 14 – NEWS ARTICLES

The news articles are in the packet.

ITEM 15 – LETTERS

The letters are in the packet.

ITEM 16 – UPDATE

The update is in the packet.

ITEM 17 – NEXT BOARD MEETING

The next Board meeting will be held on December 12, 2003 in Salt Lake City, Utah.

ITEM 18 – OTHER

No other business.

ITEM 19 – ADJOURN

Chairman Pierson stated a motion to adjourn the Board meeting would be in order.

Charlie Roberts moved to adjourn the Board meeting at 3:40 p.m.

Petra Rust seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary